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Joint Release

**Board of Governors of the Federal Reserve System  
Federal Deposit Insurance Corporation  
Office of the Comptroller of the Currency**

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For Immediate Release

December 7, 2011

**Agencies Seek Comment on Additional Revisions to the Market Risk Capital Rules**

The federal bank regulatory agencies today announced they are seeking comment on a notice of proposed rulemaking (NPR) that would amend an earlier NPR announced in December 2010. The initial NPR proposed modifications to the agencies' market risk capital rules for banking organizations with significant trading activities.

The amended NPR includes alternative standards of creditworthiness to be used in place of credit ratings to determine the capital requirements for certain debt and securitization positions covered by the market risk capital rules. The proposed creditworthiness standards include the use of country risk classifications published by the Organization for Economic Cooperation and Development for sovereign positions, company-specific financial information and stock market volatility for corporate debt positions, and a supervisory formula for securitization positions.

The earlier NPR was based largely on the revisions to the market risk framework published by the Basel Committee on Banking Supervision since 2005. However, it did not include aspects of the Basel Committee revisions that rely on credit ratings. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, all federal agencies must remove references to, and requirements of, reliance on credit ratings from their regulations and replace them with appropriate alternatives for evaluating creditworthiness. The agencies believe that the capital requirements resulting from the implementation of these alternative standards would be generally consistent with the standards in the Basel Committee's revisions.

The agencies expect to publish a final market risk capital rule after consideration of the comments on both NPRs. Comments on this NPR are requested by February 3, 2012.

**Attachment:**

[Proposed Rule on Risk-Based Capital Guidelines, Market Risk Alternatives to Credit Ratings for Debt and Securitization Positions - PDF. \(PDF Help\)](#)

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